BERKELEY LAB

Fiscal Year 2008

**Performance Evaluation and
Measurement Plan
(PEMP) Protocol**

Internal Audit Scorecard

Lawrence Berkeley National Laboratory

University of California Laboratory Management Office

Department of Energy - Berkeley Site Office

Prime Contract No. DE-AC02-05CH11231

Revised April 15, 2008

Performance Objective 6.4

Lawrence Berkeley National Laboratory's (Berkeley Lab) Internal Audit Services (IAS) department has negotiated an individual Scorecard, provided below, with the Department of Energy Berkeley Site Office (DOE BSO) and the University of California Laboratory Management Office (UCLMO) to measure the performance under Contract 31 Appendix B *FY2008 Performance Evaluation and Measurement Plan (PEMP), Objective 6.4, Provide Efficient, Effective, and Responsive Management Systems for Internal Audit and Oversight, Quality, Information Management, and Other Administrative Support Services as Appropriate.*

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Approval Date:

6.4   Provide Efficient, Effective, and Responsive Management Systems for Internal Audit and Oversight,; Quality; Information Management; and Other Administrative Support Services as Appropriate.

The Laboratory will demonstrate efficient, effective, and responsive management systems for Internal Audit and Information Management by presenting data and analysis demonstrating the Lab's success in meeting the performance objective for Internal Audit.

<u>Measures:</u>

6.4.1   The Laboratory will present data and analysis demonstrating the Laboratory's success in meeting Internal Audit goals and expectations using the IAS Scorecard.

<u>FY 2008 Targets:</u> Achieve a score of 85 or better on the IAS Scorecard consisting of the following performance targets:

- Issue feedback surveys to internal and external customers within one week of audit issuance or advisory service completion.
- Complete the annual audit plan in accordance with LBNL Audit Committee, DOE, and UCOP audit management expectations.
- Issue at least three recommendations for saving costs and/or improving the efficiency of laboratory operations
- Expend at least 83% of available hours as direct hours over the course of the year.
- Maintain professional certification for all but two of the audit staff by completing required continuing professional education (CPE) hours as necessary.

<u>Scoring</u>

The Laboratory will present data and analysis demonstrating their success in meeting the objectives and expectations of the Internal Audit Scorecard. The *Scorecard to PEMP Scoring Conversion Table* below will be used to convert the points achieved under the Internal Audit Scorecard to a PEMP score. Performance consistent with the "A" range gradients in PEMP Figure I-1, *Letter Grade and Numerical Score Definitions*, will also be considered in determining the final score for Measure 6.4.1.

SCORECARD TO PEMP SCORING CONVERSION TABLE

SCORECARD POINTS ACHIEVED	PEMP MEASURE SCORE ACHIEVED
≥85.0	B+
82.0-84.9	B
79.0–81.9	B-
75.0-78.9	C+
72.0-74.9	C
69.0-71.9	C-
60.0-68.9	D
60.0<	F

<u>FY 2008 Performance Targets</u>

<u>I - Customer Perspective</u>

Internal Audit will be measured on the utilization of an efficient and effective process for obtaining customer feedback and analysis of customer feedback for possible process improvements.

<u>FY 2008 Target</u>: Internal Audit will issue customer satisfaction surveys for both internal and external customers within a week of issuing each audit and appropriate advisory service.

Weight: 10 Points

Gradient/Scoring

Points	Achievement
10	Issue surveys (external and internal) within a week of issuing each audit and appropriate advisory service. Analyze feedback to identify possible process improvements. Document all feedback and resulting analysis and actions.
9	Issue surveys (external and internal) within a week of issuing each audit and appropriate advisory service. Analyze feedback to identify possible process improvements.
8.5	Issue surveys (external and internal) within a week of issuing each audit and appropriate advisory service.
7	Issue surveys following each audit and appropriate advisory services.
6	Issue surveys following a majority of audits and appropriate advisory services.
5	Issue surveys with only a minority of audits and significant advisory services.

I - Internal Business Processes

A. Internal Audit will plan for and conduct audits of core business functions as approved by the LBNL Audit Committee, DOE Chicago, and UCOP Audit Management.

FY2008 Target: Internal Audit will complete the annual audit plan in accordance with LBNL Audit Committee, DOE, and UCOP audit management expectations. Management's stated expectation is that IAS will complete 80% of the audits planned for the year.

To remain consistent with University of California audit guidelines, audits will be considered complete when a final draft is issued to management.

Weight: 50 Points

Gradient/Scoring

Points	Achievement (percentage of expectations achieved)
50	>105% of expectations
48	> 100 to 105% of expectations
44	> 95 to 100% of expectations
40	> 90 to 95% of expectations
35	> 85 to 90% of expectations
30	> 80 to 85% of expectations
0-25	Less than 80%

B. Internal Audit will incorporate efficiency and/or effectiveness recommendations into audits where appropriate.

FY2008 Target: IAS will issue at least three recommendations for improving the efficiency of Laboratory operations.

Weight: 10 Points

Points	Achievement (number of efficiency recommendations issued in final reports)
10	5 or more
9	4
8.5	3
7	2
6	1
5	0

III - Financial Perspective

Internal Audit staff will spend an appropriate level of hours directly on audits, advisory services and investigations in accordance with standards developed by UCOP Audit Management and approved by the LBNL Audit Committee.

FY2008 Target: Internal Audit will report quarterly on direct and indirect hours spent by Internal Audit Staff. The percentage of direct hours will be no more than 5 percentage points below the percentage included on the approved annual audit plan averaged over the course of the fiscal year; for FY2008 the planned percentage is 87.5%, so this means expending at least 83% of available hours as direct hours.

Hours are calculated by taking the number of employee hours available per quarter, with sick, vacation, holiday and other leave hours excluded from that total. Direct hours include hours spent on audits, advisory services, investigations, external audit coordination, quality assurance, and system-wide development projects. Indirect hours include time spent on administration, professional development, staff meetings, etc.

Weight: 15 Points

Gradient/Scoring

Points	Achievement (percentage of direct hours)
15	Plan % or higher
14	No more than 3 percentage points less than Plan %
12	No more than 5 percentage points less than Plan %
11	No more than 7 percentage points less than Plan %
9	No more than 9 percentage points less than Plan %
8	No more than 11 percentage points less than Plan %
7	More than 11 percentage points below Plan %

IV - Learning and Growth Perspective

Internal Audit will be assessed on the percentage of professional staff that complete the training hours required to maintain credentials/certification.

FY2008 Target: Maintain professional certification for all but two of the audit staff by completing required continuing professional education (CPE) hours as necessary.

Final certification determinations are made by the certifying agency. If any staff member is not recertified by the appropriate agency, no partial credit will be given for training hours completed.

Weight: 15 Points

Gradient/Scoring

Points	Achievement (number of professional staff with sufficient CPEs to maintain at least one certification/credential)
15	All
12	All but two
9	All but three
8	All but four
7	All but fiver